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Leadership Competency Series

CONVERTING VISION INTO REALITY

Converting Vision into Results

LEADERSHIP COMPETENCIES

Building a competency model creates a blue print of an organisation's potential capabilities that leverages people effectiveness and organisational performance, converting vision into reality, says M R Chandramowly.

How can competencies help organisations and individuals? Can it improve business performance? If so, how? Is it possible to develop these competencies for smaller companies? Or is it only applicable to big MNCs where huge money is invested on training to develop competency models? These are some questions asked when we set up a competency development project for an organisation. When we ask them first about their company's Mission statement and Values, some more questions and surprises are in for us. How mission, vision and values are are related to competencies?

Every organisation is a collection of unique resources and capabilities. Resources are the inputs to an organisation's production or services. Resource strength of a firm is the characteristic that enhances competitiveness. It includes technical know-how, fixed assets, organisational assets and human assets - the competencies. Some assets are tangible in terms of market value and some are intangible, such as reputation and brand name. Intangible resources are often more powerful and desirable for organisations, though, it is less visible, more difficult for competitors to understand, imitate and acquire.

Blueprint of capability

Success of an organisation lies in their intellect and systems compatibility rather than in their physical assets. When this intangible strength of resource strength is not nurtured and maintained, it turns into weakness. Resource weakness is what an organisation lacks to build its differentiating capability, and some time it comes out as what an organisation lacks or does poorly placing it at disadvantage.

Competency is an internal activity that an organisation performs better than other activities which are achieved by every one out there in the market. This is also termed as core competency, which is central to a company's strategy, competitiveness and profitability. Competencies reside in organisation's people and not in the assets on the balance sheet. Thus, a competency model is a blue print of company's potentially valuable competitive capability. Core competency becomes significant to business in a given market situation of demand and supply.

Significance of competencies

Competency models are great tools to execute organisational directives when people processes are based on it. Competencies can be learnt and measured. A competency demonstrated by organisations makes them distinguish and differentiate them from others. The key objective of a competency model is to

identify the set of attributes that are fully derived from and within an organisation.

These attributes are carefully developed considering its linkage to the purpose, vision, values and short-term and long-term objectives of an organisation. Competency models also consider the industry parameters in which an organisation is operating, besides market competition of present and future. Organisations ensure that future leaders possess the mapped competencies and hence prioritise to build a suitable model.

Competencies are developed

Leadership competencies can be developed by any organisation irrespective of its size and it does not cost much. But it needs an understanding and commitment, to develop, map, execute and monitor competency development and assessment.

Competencies cannot be imitated or clichéd from other successful organisations. Models must be developed considering the organisation specific challenges and leadership attributes required to meet the same. Microsoft leaders are known for their attributes of high technical competence and competitor domination. A Microsoft leader embodies high intelligence and a desire to win and that has developed today in to their brand leadership.

David Ulrich (co-authored with Jim Intagliata and Norm Smallwood) writes, "Leadership in a company is branded when the unique attributes and specific business results are integrated for all leaders within a firm. Over a period of years, an organisation may create leaders who are branded, or distinct from leaders in other firms. Leaders who develop only common attributes of leadership do not establish leadership brand. What is missing is the notion that these attributes need to be those which clearly link to business results. Since business results are firm specific, leadership brand is always unique to a specific firm." (Leveraging Leadership Competencies to Produce Leadership Brand)

Practicing a competency culture brings changes in employee's knowledge, skill and attitudes. Managers have opportunities to coach and develop individuals, besides doing their business routine, which enhances engagement, empowerment and employee retention. A competency like customer delight, when clearly defined and measured using behavioural indicators, enriches target customer retention and loyalty. When competency based practices are shared across organisation through its departments and branches, people on learning the new competencies can deliver on the value proposition. Competency development initiatives can be effective when it becomes a part of Performance Management System (PMS). The pivotal factor of PMS is how clearly employees understand their goals, acquire needed competencies and use the process to achieve objectives of self and organisation.

Goal clarity

Every goal is must be measurable. We don't call it a goal, if it can not be measured since what can not measured it is not performed in business sense. Goals are measured using statistical data and specific numbers. Ex: Improve efficiency by 5 per cent (percentage), hold at least eight meetings in a year with team members to review targets (Frequency). Achieve an average of 85 per cent productivity (averages). Respond to the candidates appeared for interview with in 8 days (Time). To cite an example, "Improve Customer Satisfaction" is a statement and not a goal. "Identify three areas of our departmental work with which our major customers are unhappy by ..... (Time) and produce a plan for improvement" could be a good goal.

Goals are the "what to do" aspects that constitute the output of a Job. Competencies are about the behavioural "how to do" aspects to achieve the goals. Competencies are what people bring to a job and are therefore becomes key to achieve goals. Goals and competencies are closely linked since achievement levels of goals are defined in terms for competencies.

Competencies

If a manager keeps blaming team members' efficiency, that manager may need to focus on people competencies such as selection, motivation or communication. Competencies are identified for each function with indicators and assessment rating system.

Competencies are not strictly the personality traits, which are difficult to change. It is important to agree on what competencies mean, and on whether or not they have been demonstrated. If we have ten competencies identified for a manager's position, it is not essential to cover each competency every time.

Leaving the competencies, which are not important to the job, 4 or 5 competencies can be identified for measurement. Each competency can be measured against key result areas. If a manager's job is linked with competencies like planning, problem solving, developing individuals and customer relations; each of these competencies can be measured by Key Result Areas (KRAs).

Every competency selected, can be identified with KRAs considering its impact on quality, output, costs, people and customers of the organisation. On identifying competencies for development, the next step is to agree on developmental actions and create opportunities for practicing competencies. Coaching, counselling, on the job opportunities and continuous review are some of the developmental actions.

Guidelines to build

It starts from understanding the mission statement of an organisation. Mission is the purpose of existence. Vision statement is drawn based on the mission conceiving a mental picture of desired future, so where we would like to be in next 2 to 3 years. Organisational values capture the beliefs we hold as important, which guides our day-to-day activities. Organisational objectives are the aims of our efforts to accomplish the mission, vision through a strategic business plan protecting the values. The means by which we determine our goals in terms of quality, output, costs, deadlines, people and customer satisfaction becomes Develop key result areas. The short-term actions which gauge our progress are targets and when accumulated over time it results in achievement of goals. Competencies are the overall capabilities required to achieve the set goals. A good Performance Management Systems can capture all these and act as a powerful tool of business management.

For organisations which are attempting to set up a performance management system for the first time or considering a review of existing PMS, here are 10 steps to translate vision to results by Roger Moores, the author of "Managing for High Performance".

Ten steps to translate vision into results.

1) Develop Mission statement, the purpose of the organisation - why it exists?

2) Establish objectives connected to the mission - thinking about the goals for high and low levels.

3) Formulate departmental goals in line with the mission and objectives. Involve people when drawing up departmental goals.

4) Establish key measure for the goals. How do you measure the goal accomplishment? Define the measures and start setting individual goals.

5) Draw up competencies required to achieve the goals of the organisation or the business unit, using organisation's own terminology.

6) Write job descriptions and define competencies with behavioural indicators to review the key measures.

7) Organise team performance reviews with their team members backed up with one to one meetings at all levels.

8) Draw up the management development plan based on the identified competencies, which are important to achieve organisational goals. Develop not only the top but also every one.

9) Encourage internal coaching and training besides using external resources. Supervisors must be trained on: How to identify measures, setting targets, and individual personal development, How to run regular one-to-one performance reviews and how to run team performance reviews.

10) Review the objectives and competencies to draw up actions needed to fulfil them.

Do not dig out roots if you wish to know the tree

Cut not its leaves and twigs to experiment and see

But, water it, feed, manure and loosen the bed

Watch the wonder when it flourishes in to bud

(Dr D V G' s Kagga - 817)

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